Recipient Financial Management System (RFMS) Fact Sheet

The new RFMS replaces the existing Pell Grant Recipient Financial Management System. **Beginning with the 1999-2000 award year,** institutions will use RFMS to report and request Pell student payment information.

Why Change the Process?

- Move toward common Title IV processes, records, and data standards

- Become consistent with Project EASI *(See http://easi.ed.gov)*

What's New? TWO MAJOR DIFFERENCES

Data Record Formats

- Two basic types of records (origination and disbursement) contain basically the same data that you are currently reporting to PGRFMS

- Origination records: RFMS performs full record editing, returns an acknowledgment

- Disbursement records: contain simple payment data

- Special disbursement records: contain additional specific data for institutions on cash monitoring and reimbursement payment method

Reporting Sequence

- Institutions will submit an origination record any time before or with the initial disbursement; can be submitted beginning in April 1999

- Disbursement records will be submitted shortly before each disbursement (for each student eligible for a Federal Pell Grant); can be submitted on or after July 1, 1999

- Reporting sequence is similar to the Federal Direct Loan Program origination reporting process

- **New electronic focus:** output and letters sent electronically; schools can request information over the web (replaces Institutional Access System); **no more paper!**

How is the Funding Process Changing?

- Advance payment method: still have initial authorization and drawdown by award year and program, but authorization is driven by disbursement records.

- Pilot program for 1999-2000: **Just-In-Time payment method**

    - Funds are automatically deposited into institution's account

    - No institutional interaction with GAPS

    - Regulatory relief from the 3-day-use rule, reverification of eligibility at disbursement, and excess-cash rule

What are the Benefits to Institutions?

- Improved turnaround: goal is 24 to 36 hours

- Also, improved turnaround of rejected batches: 24 to 36 hours

- Minimal Potential Overaward Project (POP) problems

- Phased-in Just-In-Time payment method

- Standardized data transactions across Title IV programs

- Reduction in decreased awards; simplified closeout

How Can You Find Out More?

- Series of ED letters—implementation, direction, and guidance

- Focus Groups—August and September 1998 in Washington, DC

- http://ifap.ed.gov (and watch for a future Pell RFMS site)

- 1-800-4PGRANT (1-800-474-7268)

Conferences
- NASFAA conference session on the 1999-2000 RFMS

- Video Conference—October 1998

- ED's Electronic Access Conferences (EAC): November 17-19, Kansas City, MO; December 1-3, Washington, DC; and December 15-17, San Diego, CA. For more information see the web site at http://edeworkshop.walcoff.com

- Third-Party Vendor Conference —August 27 and 28, 1998 in Washington, DC

- Other regional, state, and vendor conferences

Training
- ED Financial Aid Administrator and Fiscal Officer Training—early 1999

- Pell PC EDExpress Windows Software Training—early 1999